



# AGRICULTURAL NEWS OF THE WEEK

## FEDERAL RESERVE BANK OF DALLAS

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### F A R M P R O D U C T I O N C O S T S

The rise in total farm production expenses in the United States has levelled off this year, and little change is expected in 1961, points out the Agricultural Research Service. Production expenses for goods and services of nonfarm origin generally have been about the same or slightly higher than in 1959. Total wages paid to hired labor have remained about unchanged, whereas interest payments and taxes have advanced. Expenditures for livestock and feed, which were obtained largely from other farmers, have been lower than last year. Because of the increase in the average size of farms, expenditures per farm have continued to advance.

The table below shows percentage changes in prices paid by U. S. farmers for major groups of production items this fall as compared with 6 months earlier and a year ago.

<u>Class of expenditure</u>	<u>Percent change</u> <u>this fall from</u>	
	<u>6 months</u> <u>ago</u>	<u>Year</u> <u>ago</u>
Taxes (annual average).....	(1/)	8
Farm machinery (September 15).....	2	2
Motor supplies (September 15).....	2	2
Fertilizer (September 15).....	1	1
Farm supplies (September 15).....	0	1
Seed (September 15).....	0	3
Real estate (July 1).....	2/-1	3/1
Feed (October 15).....	-4	-2
Motor vehicles (October 15).....	-5	-4
Wage rates, seasonally adjusted (October 1).....	-6	2
Livestock (October 15).....	-13	-5

1/ Estimated on an annual basis only.

2/ Change from March 1960 to July 1960.

3/ Change from July 1959 to July 1960.

### F H A B O R R O W E R S R E P O R T H I G H E R I N C O M E S

The U. S. Department of Agriculture recently announced that family-type farmers repaying their operating loans from the Farmers Home Administration during the 1960 fiscal year (which ended June 30, 1960) had gross cash incomes 74% higher than when they originally obtained their loans. A survey of 10,167 borrowers showed that in the 1960 fiscal year they had an average annual gross cash income of \$9,115, compared with \$5,240 the year before they received their loans - which was about 6 years ago. By regions, the fiscal 1960 average gross cash income ranged from \$7,753 in the South to \$13,824 in the East. Comparing the status of the average operator in 1960 with that of the year before he obtained his operating loans, the study shows that he now farms 12.1% more total acres and 17.7% more crop acres and has increased the value of his livestock and equipment by 73%.

## P O U L T R Y

Trading was slow in the Texas commercial broiler markets during the week ended Friday, November 25, reports the State Department of Agriculture. Markets were closed on Thursday in observance of Thanksgiving. Prices in south Texas were steady with those in the previous week, although the undertone reflected a weaker trend at the market's close. Prices in east Texas opened lower and continued to decline each day. Friday quotes were 17¢ per lb. in south Texas and 15¢ to 15.1¢ in east Texas, with 40% of the sales in the latter area at undetermined levels. During the corresponding period last year, prices were 15¢ in south Texas; no quotations were reported for east Texas.

Friday offerings at the Southwest Poultry Exchange totaled 155,500 broilers, of which 100,300 brought 15.3¢ to 15½¢ (farm producers absorbed all rejected birds) and 16,000 sold at 14.8¢ to 15.1¢ (buyers absorbed all rejects).

On Monday, November 28, commercial broiler markets were weaker in south Texas but were about steady in east Texas. Prices were: South Texas, 16¢; and east Texas, 14.8¢ to 15½¢ (32% of the sales were at undetermined quotes).

	Area	Week ended November 19, 1960	Percentage increase from	
			Previous week	Comparable week, 1959
BROILER CHICK PLACEMENTS	Texas.....	1,760,000	1	9
	Louisiana..	385,000	4	25
	22 states..	30,061,000	1	11

## L I V E S T O C K

Fort Worth marketings of all classes of livestock during the 3-day pre-holiday week ended Wednesday, November 23, were below both the preceding week's 4-day supply and the year-earlier level. According to the Agricultural Marketing Service, the cattle run of about 4,300 represented declines of 52% from a week ago and 14% under the corresponding period in 1959. Trading was fairly active on all classes of slaughter cattle, and steers and heifers sold at prices which were 25¢ to 75¢ per cwt. higher than at the previous week's close. Good 995- to 1,245-lb. slaughter steers were quoted at \$23 to \$24, and Utility and Commercial cows brought \$14.50 to \$16.50. Prices of stocker cattle were steady to strong; quotations on Good and Choice 540- to 650-lb. stocker steer yearlings ranged from \$22.50 to \$25.

The calf supply totaled approximately 1,000, compared with 1,600 in the previous week and 2,100 a year ago. Prices of killing calves were 50¢ to 75¢ higher than in the latter part of the preceding week. Good and Choice Grades of slaughter calves sold at \$21.50 to \$24, and 250- to 500-lb. stocker steer calves brought \$24 to \$27.

At approximately 1,200, hog receipts were down 700 from a week ago and 500 fewer than a year earlier. Demand was broad, and trading was active. Hog prices closed fully steady to 50¢ higher than the preceding Thursday, with most U. S. No. 1 through No. 3 Grades of 185- to 245-lb. barrows and gilts quoted at \$16.50 to \$17.50.

Sheep and lamb offerings were an estimated 5,000, reflecting decreases of 30% from the previous week and 22% under a year ago. Quotations on lambs and ewes were fully steady to 50¢ higher than in the latter part of the preceding week, while prices of other classes held unchanged. The majority of the Good 80- to 95-lb. woolled and shorn slaughter lambs with No. 1 and No. 2 pelts cleared at \$16.50 to \$17.